CLAIMS:

Sub B1

1. A contract exchange comprising:

a central clearing house computer;

a cash depositing facility, such as computer based cash management fund, electronically linked to the central clearing house computer; and

an automated real time screen trading system operated by investors using personal computers linked by telephone lines to the central clearing house computer; wherein

the contract exchange creates, trades and closes indivisible financial package contracts each of which have two parties, a buyer and a seller, who are the beneficial owners of the proceeds of a binding obligation requiring a cash settlement based on a settlement price of a specific quantity of a specified type of product at an agreed price, place and time;

the price of the contracts is determined by a market;

the contracts are geared and investors must make sufficient funds available to a trading account from a depositing facility account to cover the proportion of the value of a contract, as determined by the gearing ratio, being permitted to buy or sell;

as the price moves in the market, the parties to contracts gain or lose the entire changed value of the contracts they hold;

either the buyer or the seller makes an incremental profit after each price movement and the counter party makes an incremental loss;

the credit is immediately transferred from the trading account of the party making the loss to the party making the profit;

the clearing house holds options on all the contracts and is able to exercise its option rights to dispose of some or all of a party's contracts in the market if that party's trading, or assigned funds became insufficient to cover the proportion of the value of the contracts held, as determined by the gearing ratio;

should the clearing house be unable to dispose of the contracts required in the market then when the contract price moves such that the party's funds fall to zero, it is able to close all that party's contracts at that price, simultaneously closing all the contracts held by the counter parties;

closing takes place without delay and without the involvement of any other parties.

SUB C2

2. A contract exchange according to claim 1, wherein when the clearing house is exercising its option rights and attempting to dispose of a party's contracts in the market and a counter party enters the opposite parameter of the market, then the clearing house may close all the party and counter party contracts that are in the market at the same time.

A Sub B6

3. A contract exchange according to claim 1 ~~or 2~~, wherein if a party has sufficient funds to cover the proportion of the value of the contracts held, as determined by the gearing ratio, at the last sale price but not at the price of one of the market parameters, and a counter party enters the market at that parameter to close a position, the clearing house may close sufficient of the party's contracts with the counter party's contracts so that the party no longer has insufficient funds to cover the proportion of the value of the contracts held at the price of that market parameter.

A SUB C4

4. A contract exchange according to claim 1 ~~any preceding claims~~, wherein to create a new indivisible financial package contract the clearing house enters into a purchase contract with the buyer of the contract, and enters into a sale contract with the seller of that contract at the same price.

5. A contract exchange according to claim 1 ~~any preceding claims~~, wherein the clearing house will automatically reinvest unrealised surplus assigned funds from an investor's trading account into further contracts.

Sub B7

6. A protocol for trading on a contract exchange, comprising the steps of:

providing a central clearing house computer;

providing a cash depositing facility such as computer based cash management fund electronically linked to the central clearing house computer;

providing an automated real time screen trading system operated by investors using personal computers linked by telephone lines to the central clearing house computer;

creating, trading and closing indivisible financial package contracts each of which have two parties, a buyer and a seller, who are the beneficial owners of the proceeds of a binding obligation requiring a cash settlement based on a settlement price of a specific quantity of a specified type of product at an agreed price, place and time;

determining the price of the contracts by operation of a market;

gearing the contracts and monitoring the funds each investor has available to ensure each investor has sufficient funds available in a trading account to cover the proportion of the value of a contract, as determined by the gearing ratio, before an investor is permitted to open contracts to buy or sell;

exercising option rights to dispose of some or all of a party's contracts in the market if that party's funds become insufficient to cover the proportion of the value of the contracts held, as determined by the gearing ratio;

if unable to dispose of the contracts required in the market then, when the contract price moves such that the party's funds fall to zero, closing all that party's contracts at that price, and simultaneously closing all the contracts held by the counter parties;

closing takes place without delay and without the involvement of any other parties.

7. A protocol for trading on a contract exchange according to claim 6, comprising the further step of:

when exercising option rights and attempting to dispose of a party's contracts in the market and a counter party enters the opposite parameter of the market, closing all the party and counter party contracts that are in the market at the same time.

sub B8

8. A protocol for trading on a contract exchange according to claim 6 ~~or 7~~, comprising the further step of:

if a party has sufficient funds to cover the proportion of the value of the contracts held, as determined by the gearing ratio, at the last sale price but not at the price of one of the market parameters, and a counter party enters the market at that parameter to close a position, exercising option rights to close sufficient of the party's contracts with the counter party's contracts so that the party no longer has insufficient funds to cover the proportion of the value of the contracts held at the price of that market parameter.

9. A protocol for trading on a contract exchange according to claim 6, ~~7 or 8~~, comprising the further step of:

as the price moves in the market, requiring the parties to contracts to gain or lose the entire change in value of the contracts they hold so that either the buyer or the seller makes an incremental profit after each price movement and the counter party makes an incremental loss, and

immediately transferring the credit from the trading account of the counter party making the loss to the party making the profit.

Sub B9

10. A unique indivisible financial package contract which is a binding obligation requiring a mandatory cash settlement based on a settlement price of a specific quantity of a specified type of product at an agreed price, place and time;

each contract has two parties, a buyer and a seller, who are the beneficial owners of the proceeds of the binding obligation;

when holding contracts, the price moves as determined by market forces;

the contracts are geared and investors must make sufficient funds available to a trading account from the depositing facility account to cover the proportion of the value of a contract, as determined by the gearing ratio, before an investor is permitted to open contracts to buy or sell;

as the price moves in the market, the parties to contracts gain or lose the entire change of value of the contracts they hold;

either the buyer or the seller makes an incremental profit after each price movement and the counter party makes an incremental loss;

the credit is immediately transferred to the trading account of the party making the profit from the trading account if the counter party is making the loss;

the clearing house holds options on all the contracts and is able to exercise its option rights to dispose of some or all of a party's contracts in the market if that party's funds became insufficient to cover the proportion of the value of the contracts held, as determined by the gearing ratio;

should the clearing house be unable to dispose of the contracts required in the market then when the contract price moves such that the party's funds fall to zero, it is able to close all that party's contracts at that price, simultaneously closing all the contracts held by the counter parties;

closing takes place without delay and without the involvement of any other parties.

Sub C8

11. A unique indivisible financial package contract according to claim 10, wherein when the clearing house is exercising its option rights and attempting to dispose of a party's contracts in the market and a counter party enters the opposite parameter of the market, then the clearing house may

close all the party and counter party ~~contracts~~ that are in the market at that time.

A Sub B10

12. A unique indivisible financial package contract according to claim 10 ~~or 11~~, wherein if a party has sufficient funds to cover the proportion of the value of the contracts held, as determined by the gearing ratio, at the last sale price but not at the price of one of the market parameters, and a counter party enters the market at that parameter to close a position, the clearing house may close sufficient of the party's contracts with the counter party's contracts so that the party no longer has insufficient funds to cover the proportion of the value of the contracts held at the price of that market parameter.

A Sub C10

13. A unique indivisible financial package contract according to claim 10, ~~11 or 12~~, wherein in order to create a new indivisible financial package contract the clearing house must enter into a purchase contract with the buyer of the contract, and enter into a sale contract with the seller of that contract at the same price.

ADD B17